

Message Text

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ORIGIN NEA-10

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SP-02 SS-15 L-03 H-02 CIAE-00 INR-07 NSAE-00 DODE-00

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APPROVED BY NEA:SSOBER

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FM SECSTATE WASHDC

TO AMEMBASSY KUWAIT IMMEDIATE

C O N F I D E N T I A L STATE 176166

FOR THE AMBASSADOR FROM DEPASSTSEC SOBER

E.O. 11652: GDS

TAGS: MASS, KU

SUBJECT: CASE UCY

1. AS EMBASSY GENERALLY AWARE, CASE UCY, RAYTHEON PROJECT MANAGER'S OFFICE IN KUWAIT, HAS BEEN AMONG THE MOST DIFFICULT CASES TO NEGOTIATE WITH GOK. THE GOK HAS COMPLAINED THAT THE CASE SUBMITTED IN FEBRUARY 1976 CONTAINED UNJUSTIFIED COSTS AND AN OVERLY HIGH MAN-MONTH RATE. RAYTHEON HAS COMPLAINED OF LACK OF GOK DECISIVENESS AND CONSTANT CHANGES IN THE SCOPE OF WORK REQUIRED BY GOK.

2. STATE/DEFENSE HAVE BEEN CONVINCED FOR SOME TIME THAT PROMPT SIGNATURE BY GOK OF CASE UCY IS NECESSARY TO AVOID FURTHER DELAYS IN I-HAWK PROGRAM. AS A RESULT, A THOROUGH REVIEW OF CASE UCY WAS UNDERTAKEN IN WASHINGTON.
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THE I-HAWK PROJECT MANAGER'S OFFICE, RAYTHEON CORPORATE

REPS, DSAA AND REPRESENTATIVES OF STATE TOOK PART IN THIS REVIEW. EVERY EFFORT WAS MADE TO BE AS RESPONSIVE AS POSSIBLE TO THE CONCERNS EXPRESSED BY GOK.

3. THIS REVIEW HAS NOW BEEN COMPLETED. CASE UCY HAS BEEN REDUCED BY DOLS 13 MILLION OR FROM DOLS 55.4 TO 42.4 MILLION.

4. REVISED CASE UCY WILL SHORTLY BE SUBMITTED FOR GOK REVIEW. THIS REPRESENTS MAJOR EFFORT BY STATE/DEFENSE TO BE RESPONSIVE TO GOK CONCERNS. WHEN PRESENTING THE CASE TO GOK FOR THEIR STUDY, OR WHILE REVIEWING THE CASE WITH GOK AUTHORITIES AFTER IT HAS BEEN PRESENTED, EMBASSY SHOULD STRESS: (1) THAT AN HONEST EFFORT HAS BEEN MADE OVER MANY MONTHS TO ACCOMMODATE GOK CONCERNS EXPRESSED OVER CASE UCY. (2) THIS EFFORT HAS NOW CULMINATED IN THE PRESENT CASE UCY AS PRESENTED TO THE GOK. (3) WITH THE INTERESTS OF THE I-HAWK PROGRAM UPPERMOST IN OUR MINDS, WE NOW HOPE THAT THE GOK WILL BE ABLE TO CONSIDER THIS CASE EXPEDITIOUSLY AND REACH A DECISION ON ITS SIGNATURE. NATURALLY, WE HOPE THAT THAT DECISION WILL BE TO SIGN THE CASE, FOR THERE WILL BE NO MORE REVISIONS OF IT. FAILURE TO SIGN THE REVISED CASE UCY WILL RAISE SIGNIFICANT QUESTIONS ABOUT SUCCESSFUL COMPLETION OF THE WHOLE I-HAWK PROGRAM.
KISSINGER

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Margaret P. Grafeld
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